

HEALTH

watch

“Leading Health Indicators” Unveiled

Healthy People 2010 Initiative to Guide Prevention Agenda for Next 10 Years

HHS Secretary Donna E. Shalala and Surgeon General David Satcher released “Healthy People 2010” last month, which contains the nation’s health goals for this decade, and also unveiled a new national

health assessment tool called the nation’s “Leading Health Indicators.” Shalala and Satcher made the announcement at the HHS-sponsored Partnerships for Health in the New Millennium Conference.

Healthy People 2010 contains broad-reaching national health goals for the new decade, focusing on two major themes of increasing the quality and years of healthy life, and the elimination of racial and ethnic disparities in health status. Also unveiled were the first-ever leading health indicators, comprising 10 areas of health status, based upon Healthy People 2010 objectives. These new measures will allow Americans to easily assess the overall health of the nation, as well as that of their own communities, and make comparisons and improvements over time.

“The new century brings new challenges and opportunities to improve the health of everyone in the United States,” Secretary Shalala said. “People not only want to live a long life, but they also want to enjoy a healthy life. As the baby boom becomes the senior boom, quality of life will become a central issue for our health system. With Healthy People 2010, we want to add years to your life and health to your years.”

“Our greatest opportunities for reducing health disparities are in empowering individuals to make informed health care decisions and in providing the skills, education, and care necessary to improve health,” said Dr. Satcher. “The underlying premise of Healthy People 2010 is that the health of the individual is inseparable from the health of the larger community.”

State Children’s Health Insurance Program Now Reaching Two Million

Recently, HHS Secretary Donna E. Shalala announced that nearly two million children who would otherwise have been without health insurance coverage were enrolled in the State Children’s Health Insurance Program (SCHIP) in fiscal year 1999 — double the number reported for the first full year of the program.

The new enrollment figures, a total of 1,979,450 children, are based on state-by-state reported data on the number of children served from October 1, 1998 to September 30, 1999. Of the 56 approved state and U.S. territorial children’s health insurance programs to

date, 53 were implemented and operational during fiscal year 1999. Of the nearly two million children covered as of September 30, 1999, states reported that over 1.2 million children were in new state-designed children’s health insurance programs and almost 700,000 were enrolled in Medicaid expansion plans. Both options are allowable under the SCHIP.

HHS has also approved 37 state plan amendments to date, many of which expand SCHIP eligibility to even more children. Several of these amendments were in effect during fiscal year 1999, but many





The *HCFA Health Watch* is published monthly, except when two issues are combined, by the Health Care Financing Administration (HCFA) to provide timely information on significant program issues and activities to its external customers.

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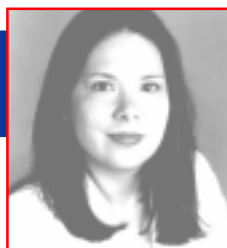
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Message from the Administrator

Nancy-Ann DeParle

NANCY-ANN DEPARLE

MAKING SURE THAT MEDICARE'S more than 39 million elderly and disabled Americans get the quality care they're entitled to is the heart of our work at HCFA. At the same time we must protect the financial health of the program by providing this care as efficiently as possible. And we have fresh proof that we are getting those jobs done.

The 1998 national health care spending report recently completed by our Office of the Actuary shows that growth in government spending for health care continued to slow in 1998, increasing only by 4.1 percent over the previous year. The biggest improvement was in Medicare, where spending grew by just 2.5 percent, the lowest growth rate in the program's history.

One reason for this improvement was the Balanced Budget Act of 1997, which included a number of Medicare payment reforms that were effective in 1998. It is clear that the BBA is promoting efficiency, slowing growth of Medicare expenditures, and extending the life of the Medicare Trust Fund well into the 21st century.

According to both HCFA and the Congressional Budget Office, the BBA is only one factor contributing to improvements in Medicare spending. We have made substantial strides in fighting fraud, waste and abuse that have decreased improper payments.

For the first time ever, the hospital case mix declined in 1998 due to efforts to stop "upcoding," or billing for more serious diagnoses than patients actually have. The Medicare payment error rate for fiscal year 1998 was an estimated 7.1 percent, down about half from the error rate of 14 percent in 1996. The White House recently announced that HCFA's program integrity efforts prevented more than \$4 billion from inappropriate claims being paid to providers in 1999.

The BBA provisions were enacted in response to a projected depletion of the Medicare Trust Fund and Medicare spending growth that had exceeded growth experienced by private health insurers in every year between 1992 and 1997.

Payment reforms, incentives to provide quality care efficiently, and other BBA provisions to be implemented over the next few years were expected to control Medicare spending growth through 2002 and help extend the life of the Trust Fund until 2015. Additional changes enacted by Congress in the Balanced Budget Act of 1999, to ensure that Medicare beneficiaries have access to proper care and help providers deal with the transition to the BBA provisions, could affect that projection.

HCFA is effectively monitoring the impact of the BBA to ensure that beneficiary access to covered services is not compromised, and studies by the HHS Inspector General and the General Accounting Office have not found access hindered because of BBA.

In the end, beneficiaries are the real winners. The premium for the Medicare Part B coverage that pays doctor bills is \$45.50 this year — exactly what it was last year. It rose only \$1.70 the year before and has gone unchanged in two of the past three years. The Part A deductible for inpatient hospital care rose \$8 for the year 2000, only about 1 percent, to \$776. The Part A deductible is a beneficiary's only cost for up to 60 days of inpatient care.

We are encouraged by these reports of success in our efforts to improve the quality and efficiency of Medicare. But we've only just begun. We met the Y2K challenge and entered the new millennium ready to pay providers for the care they give Medicare beneficiaries. HCFA will be focused more than ever in the year 2000 on making sure our beneficiaries and the American taxpayers receive proper health care and proper value. ♦

HEALTH TIP: Medicare Now Covers Colorectal Screenings

On January 1, 2000, Medicare began covering colorectal screenings. For beneficiaries over age 50, Medicare will pay for a yearly fecal occult blood test, every four years for a flexible sigmoidoscopy, and every two years for a colonoscopy. However, the physician can substitute a barium enema for a sigmoidoscopy or colonoscopy. ♦

HHS Agencies Open for Business Without Y2K Problems

Medicare Pays Claims Without Renovated System; Federal/State Disease Monitoring Data Networks Run

Staff at the Department of Health and Human Services continued checking out the 1,174 computer systems that operate the programs overseen by HHS, and with states and others who operate HHS-funded programs to be sure no Y2K problems had interfered with operations as of Jan. 3.

"We worked hard, and it paid off," said Secretary Shalala. "We are now checking out all systems, as well as our programs with the states and others, and it's business as normal at HHS."

In particular, Shalala said, some 50 million lines of computer code were tested as part of the Y2K remediation at HCFA. In a Dec. 28 press briefing, HHS officials had said the Medicare system was one which would have had failures if Y2K fixes had not been made. Medicare pays nearly a billion claims per year to more than a million health care providers. Al-

most 40 million older and disabled Americans are covered by Medicare.

Health Care Financing Administration

HCFA reported on Jan. 3 that its payment systems, including those belonging to contractors, were operating normally. Contractors had begun processing Medicare claims using the renovated year 2000 electronic systems. Under the law, Medicare electronic claims are paid within two weeks after submission. Claims paid the first of January were those submitted during the last weeks of 1999. Claims made

by health providers for services delivered the first week of January were processed in mid-January.

In addition, HCFA reported that all states made initial reports on their Medicaid computer systems, with no problems reported.

Centers for Disease Control and Prevention

The CDC reported that all of the agency's mission critical systems, information technology infrastructure, and buildings and facilities operated normally with no Y2K disruptions. CDC also reported that as of mid-afternoon Jan. 3, the 20 states had reported a successful Y2K rollover for all essential public health services and systems. Findings from remaining states and territories were expected by the end of the week. Systems operated by the CDC and others to conduct time-sensitive public health surveillance and detect outbreaks of infectious diseases also rolled over without incident. This includes the Public Health Laboratory Information system that links public health laboratories in states and territories with CDC, as well as the PulseNet system which links CDC and the Food and Drug Administration (FDA) with the states and the U.S. Department of Agriculture laboratories, enabling rapid comparisons of DNA-based analyses for certain food-borne illnesses.

Indian Health Service

The 49 Indian Health Service (IHS) and tribal hospitals operated normally.

The IHS "Millennium Baby" was Todd Arthur, born Jan. 1 to Michelle Etsitty and Lester Arthur at 12:07 a.m. at the Gallup Indian Medical Center. Todd is believed to be the first baby born in New Mexico.

Selected Health Issues on the Web

<http://newfederalism.urban.org/pdf/occa31.pdf>

Health Policy for Low-Income People in Oregon
BY MICHAEL SPARER

Over the last decade, Oregon's health care system has attracted positive attention — and occasional notoriety. Most of the focus is on a series of laws enacted in 1989, known collectively as the Oregon Health Plan (OHP), designed to ensure health insurance for all state residents. You can read this report at the above URL. Like many web documents, it is protected by copyright.

<http://www.gao.gov/new.items/he000013.pdf>

Foster Care: Effectiveness of Independent Living Services Unknown
HEHS-00-13, 22 pp. plus 3 appendices (11pp.) November 10, 1999

Each year approximately 20,000 youths exit the foster care system with the expectation that they will be able to live self-sufficiently. After exiting the system, many of these youths face serious problems..."Addressed to the Honorable Nancy L. Johnson, Chairman, Subcommittee on Human Resources, Committee on Ways and Means, House of Representatives, this can be read in its entirety at the URL above.

Executives Appointed on Medical Help for Children, Elderly and Disabled

HCFA Administrator Nancy-Ann DeParle has announced the appointment of two senior executives who will help ensure that children, elderly and disabled Americans continue to get vital health care under Medicaid.

Thomas Hamilton, a former official with the Wisconsin Department

of Health and Family Services, will direct the Disabled and Elderly Health Programs Group. Cindy Mann is the new director of the Family and Children's Health Programs Group. Both positions are located in HCFA's Center for Medicaid and State Operations.

Hamilton will be responsible for Medicaid programs serving the elderly and persons with disabilities. These programs include home and community-based services, Medicaid managed care, assistance to states implementing the Americans with Disabilities Act, health coverage for disabled American workers, Medicaid eligibility for adults and other work with the states to improve Medicaid services.

Mann will have responsibility for Medicaid programs serving children, families and pregnant women, as well as the state initiatives funded by the new State Children's Health Insurance Program. This includes eligibility issues, outreach, enrollment and retention of coverage for eligible children and families, managed care, school-based health services, and health screening and services for children.

"Both Tom Hamilton and Cindy Mann have extensive experience in guaranteeing health care for poor children, the chronically ill and other less-fortunate Americans," HCFA Administrator Nancy-Ann DeParle said. "Tom has been recognized for his expertise on state government's health care role involving Medicaid. Cindy is also an expert on state government and Medicaid, and on the State Children's Health Insurance Program, which is bringing health care to our uninsured children."

For the past two years, Hamilton served as director of the Wisconsin Department of Health and Family Services' Center for Delivery Systems Development, where he helped redesign the state's long-term care and acute-care systems that serve more than 200,000 people with chronic

illness or disability. He held various positions during his 21 years with the State of Wisconsin.

Hamilton was responsible for designing and managing Wisconsin's Community Options Program, which provides comprehensive, long-term care for people with disabilities and the elderly. The program reduces nursing home costs by allowing more than 16,000 individuals of all ages to continue living in their homes, despite severe disabilities.

Mann, who is a lawyer, was a senior fellow for the past five years at the Center for Budget and Policy Priorities in Washington, D.C. She directed the center's research on federal and state health care policy, focusing on issues affecting low-income families with children. She also has written about Medicaid and child health issues.

As the senior staff attorney for the Massachusetts Law Reform, she was involved in efforts to expand and improve children's health care and other health coverage programs for the uninsured. Previously, Mann worked in Massachusetts, Rhode Island and New York. ♦

Calendar of Events — February/March 2000

- Feb. 19 Deputy Administrator Michael Hash appears as plenary speaker on the important role of HCFA in eliminating disparities in health for Hispanics especially, as it relates to physicians and their patients at the National Hispanic Medical Association, Washington, D.C.
- Feb 23 Administrator Nancy-Ann DeParle speaks at an executive course sponsored by Robert Wood Johnson/Alpha Center/National Health Care Purchasing Institute in Chapel Hill, N.C.
- Feb. 26 Administrator DeParle speaks on Medicare and Managed Care at the BEST Ethical Strategies in Managed Care Conference, National Institute of Health, Washington, D.C.
- Feb 28 Deputy Administrator Hash speaks at the Nurses in Washington Internship Program in Washington D.C., on *The Economics of the U.S. Health Care Delivery System*.
- Mar. 21 Administrator DeParle is the keynote speaker at the HCFA Employer/Union Conference on *Medicare+Choice Issues Impacting Medicare Retirees and Working Aged and Employer/Union Group Health Plans* in Baltimore, Md.

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more will be implemented in the coming months providing health insurance to additional children.

"Helping all children get access to quality, affordable health care is one of the Clinton-Gore Administration's top priorities," said Secretary Shalala. "Without this program, these children would not receive health care services on a regular basis. While we are encouraged by these enrollment numbers, we will continue to work with states to enroll even more uninsured children."

The SCHIP statute, signed into law by President Clinton in 1997, appropriates \$24 billion over five years to help states expand health insurance to children whose fami-

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The nation's progress in achieving these two goals over the course of the decade will be monitored through 467 objectives grouped into 28 "focus areas," devoted to a comprehensive array of diseases, conditions, and public health challenges. Many Healthy People 2010 objectives target interventions designed to reduce or eliminate illness, disability, and premature death among individuals and communities. Others target broader issues, such as improving access to quality health care, strengthening public health services, and improving the availability and dissemination of health-related information. Each objective has a target for specific improvements to be achieved by 2010.

The 10 leading health indicators cover physical activity, overweight and obesity, tobacco use, substance abuse, mental health, injury and violence, environmental quality, immunization, responsible sexual behavior, and access to health care. The leading health indicators are supported by 21 specific measurable objectives that reflect the influence of behavioral and environmental factors and community health interventions. By monitoring these 21 measures, states and communities can assess their current health status and follow it over time.

Healthy People 2010 reflects the latest health-related research and scientific evidence. The depth of topics covered by the objectives in Healthy People 2010 reflects the array of critical influences that determine the health of individuals and communities. For example, individual behaviors and environmental factors are responsible for about 70 percent of all premature deaths in the United States. Understanding these influences and how they relate to one another are crucial for achieving the Healthy People 2010 goals.

This is the third time that HHS has developed 10-year health objectives for the nation. Since its inception in 1979, Healthy People has served as a national health planning process and established prevention priorities which have been adopted and adapted throughout the country. Currently, most states and many localities use the Healthy People framework to guide local health policies and programs.

After four years of development, Healthy People 2010 was the result of a broad consultation process that included the public, health experts, and the Healthy People consortium, a public/private alliance of over 350 national organizations and 270 state agencies.

The conference was co-sponsored by many HHS agencies and is convened by the Office of Disease Prevention and Health Promotion which coordinates the Healthy People initiative. Non-federal sponsors included the Academy of Educational Development and other private organizations. The Annenberg School for Communication and the Annenberg Public Policy Center of the University of Pennsylvania sponsored the Technology Games, an innovative showcase for interactive health programs.

NOTE: Audio of Surgeon General Satcher discussing Healthy People 2010 is available on the Internet at <http://www.os.dhhs.gov/news/press/2000pres/2000.wav>. Online information resources for the initiative are located at <http://www.health.gov/healthypeople>. To order *Healthy People 2010: Understanding and Improving Health*, call (202) 512-1800 and refer to stock #017-001-00543-6. The full conference edition, which also includes *Healthy People 2010: Objectives for Improving Health and Tracking Healthy People 2010*, is available in hard copy or on CD-ROM by calling 1 (800) 367-4725.

Y2K, from page 3**Program Support Center**

HHS' Program Support Center, which disburses grant funds for HHS as well as other federal agencies, reported that its Payment Management System began making fund transfers on Jan. 3 without problems. PSC disburses about two-thirds of all federal grants each year (\$165 billion in FY 1998, out of a total federal grant outlay of \$246 billion). Following Y2K work, PSC had conducted extensive end-to-end testing with more than 80 partners within federal agencies, financial institutions, grant recipients and their respective automated information systems. ♦

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lies earn too much to qualify for Medicaid, yet not enough to afford private insurance. The SCHIP program is the most significant improvement in access to health care for children since the creation of Medicaid in 1965.

SCHIP is a state-federal partnership that gives states three options for covering uninsured children: designing a new children's health insurance program; expanding current Medicaid programs; or a combination of both strategies.

"We are very pleased to report these enrollment numbers today," said HCFA Administrator Nancy-Ann DeParle. "We will continue our partnership with the states to reach working families whose children need consistent, reliable health care."

As part of that partnership with states to find and enroll eligible children for both SCHIP and Medicaid, President Clinton and the National Governors' Association last year launched the Insure Kids Now campaign which includes a national toll-free number, 1-877-KIDS-NOW, and web site at <http://www.insurekidsnow.gov>. The Insure Kids Now Hotline is a toll-free number that connects callers automatically with their own state agency that administers the SCHIP program. The web site has specific information on eligibility requirements for families and on-going outreach efforts.

"Doubling the number of children enrolled in this program in such a short time is quite an achievement," said Claude Earl Fox, M.D., Administrator of HRSA. "These numbers show us that SCHIP is working to give the children of low-income families the kind of access to health care that many of us take for granted. We will continue our outreach efforts and expect to reach even more children who face unacceptable barriers to proper health care."

Of the total 56 SCHIP health plans, three states — Hawaii, Washington and Wyoming — did not have plans operational during this past fiscal year. Therefore, state specific information is not available for them. The complete SCHIP annual enrollment report for fiscal year 1999 is available at <http://www.hcfa.gov>. ♦

New Regulations/Notices

Medicare and Medicaid Programs; Quarterly Listing of Program Issuances — First Quarter, 1999 [HCFA-9004-n] — Published 12/7. This notice lists HCFA manual instructions, substantive and interpretive regulations, and other *Federal Register* notices that were published January–March 1999, relating to the Medicare and Medicaid programs. It also identifies certain devices with investigational device exemption numbers approved by the Food and Drug Administration that potentially may be covered under Medicare.

DEPARTMENTS OF THE TREASURY, LABOR, and HEALTH AND

HUMAN SERVICES; Notice of Signing of a Memorandum of Understanding among the Department of the Treasury, the Department of Labor, and the Department of Health and Human Services — Published 12/15. The Department of the Treasury, the Department of Labor, and the Department of Health and Human Services (the Departments) entered into a Memorandum of Understanding (MOU), effective April 21, 1999. The purpose of the MOU is to implement section 104 of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, which directs the Departments to enter into an in-

teragency MOU to ensure that regulations, rulings, and interpretations relating to the changes made by Subtitle A of Title I and section 401 of Title IV of HIPAA over which two or more Secretaries have responsibility are administered so as to have the same effect at all times. Section 104 also requires the coordination of policies relating to enforcing the shared provisions in order to avoid duplication of enforcement efforts and to assign priorities in enforcement.



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